

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Nanci E. Langley; and
Robert G. Taub

Stoy Post Office
Stoy, Illinois

Docket No. A2011-43

ORDER AFFIRMING DETERMINATION

(Issued November 28, 2011)

I. INTRODUCTION

On August 10, 2011, Lisa McKinley (Petitioner) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Stoy, Illinois post office (Stoy post office).¹ After reviewing the record in this proceeding, the Commission affirms the Final Determination to close the Stoy post office.

¹ Petition for Review received from Lisa L. McKinley regarding the Stoy, IL Post Office 62464, August 10, 2011 (Petition).

II. PROCEDURAL HISTORY

On August 11, 2011, the Commission established Docket No. A2011-43 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.²

On August 25, 2011, the Postal Service filed the Administrative Record with the Commission.³ The Postal Service also filed comments requesting that the Commission affirm the Final Determination to close the Stoy post office.⁴

Petitioner filed a participant statement supporting her petition.⁵ On October 19, 2011, the Public Representative filed a reply brief.⁶

III. BACKGROUND

The Stoy post office has provided retail postal services and service to 52 post office box customers. Administrative Record, Item 13. No delivery customers were served through this office. *Id.* The Stoy post office, an EAS-53 level facility, had retail access hours of noon to 4:30 p.m., Monday through Friday, and noon to 1:30 p.m. on Saturday. Final Determination at 2. Lobby access hours were the same as retail access hours. *Id.*

The postmaster position became vacant when the Stoy postmaster was reassigned on October 29, 1993. *Id.* A non-career officer-in-charge (OIC) was installed to operate the office. *Id.* at 7. Retail transactions averaged 8 transactions daily

² Order No. 799, Notice and Order Accepting Appeal and Establishing Procedural Schedule, August 11, 2011.

³ The Administrative Record is attached to the United States Postal Service Notice of Filing, August 25, 2011; see *also* United States Postal Service Notice of Filing, August 25, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Stoy, IL Post Office and Extend Service by Rural Route Service (Final Determination).

⁴ United States Postal Service Comments Regarding Appeal, October 4, 2011 (Postal Service Comments).

⁵ Participant Statement Received from Lisa McKinley, September 14, 2011 (Participant Statement).

⁶ Reply Brief of the Public Representative, October 19, 2011 (PR Reply Brief).

(7 minutes of retail workload). *Id.* at 2. Office receipts for the last 3 years were \$11,608 in FY 2008; \$7,461 in FY 2009; and \$6,533 in FY 2010. *Id.* There were no permit or postage meter customers. *Id.* By closing this office, the Postal Service anticipates savings of \$18,817 annually. *Id.* at 7.

After the closure, retail services will be provided by the Robinson post office located approximately 6 miles away.⁷ Delivery service will be provided by rural carrier through the Robinson post office. *Id.* The Robinson post office is an EAS-20 level office, with retail hours of 9:00 a.m. to 4:30 p.m., Monday through Friday, and 9:00 a.m. to 11:00 a.m. on Saturday. *Id.* Two hundred five post office boxes are available. *Id.* The Postal Service will continue to use the Stoy name and ZIP Code. *Id.* at 3, Concern No. 2.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner opposes the closure of the Stoy post office. She argues that the estimated cost savings from the closing are inaccurate because they are based on the salary and benefits of a postmaster rather than the OIC who operates the post office. Petition at 1. She discusses the inconvenience that she will experience from having to travel to the Robinson post office to obtain postal services, as well as potential theft and security issues with purchasing services through a rural carrier. *Id.* at 1-2.

Petitioner contends that closing the Stoy post office and receiving rural delivery service will not provide the Stoy community with a maximum degree of effective and regular postal services. *Id.* at 2; Participant Statement at 1. The Participant Statement reiterates other concerns raised in the Petition. Participant Statement at 1-2.

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Stoy post office. Postal Service Comments at 10. The Postal Service believes the appeal raises three main issues: (1) the effect on postal

⁷ *Id.* at 2. MapQuest estimates the driving distance between the Stoy and Robinson post offices to be approximately 5.7 miles (9 minutes driving time).

services, (2) the impact on the Stoy community, and (3) the economic savings expected to result from discontinuing the Stoy post office. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes the determination to discontinue the Stoy post office should be affirmed. *Id.* at 1-2.

The Postal Service explains that its decision to close the Stoy post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and declining office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

Id. at 4. The Postal Service contends that it will continue to provide regular and effective postal services to the Stoy community when the Final Determination is implemented. *Id.*

The Postal Service also addresses the concerns raised by Petitioner regarding the effect on postal services, effect on the Stoy community, economic savings, and effect on postal employees. *Id.* at 4-9.

Public Representative. The Public Representative states that the Postal Service sought input from the public and substantially complied with the notice and posting requirements of 39 U.S.C. § 404(d). PR Comments at 4. He argues that the Postal Service appears to have considered the pertinent factors of section 404(d)(2)(A). *Id.* at 5-7. He questions whether the Postal Service will realize the full amount of the estimated cost savings and asserts that the Postal Service failed to address potential theft/security concerns raised by Petitioner. *Id.* at 6-7. However, he concludes that the Final Determination appears procedurally in order and that no persuasive argument has been presented that would prevent the Commission from affirming the determination. *Id.* at 8.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. *Id.* § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. *Id.* § 404(d)(5).

The record indicates the Postal Service took the following steps in reaching its Final Determination. On March 11, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Stoy post office. Final Determination at 2. A total of 75 questionnaires were distributed and 30 were returned. *Id.* On March 24, 2011, the Postal Service held a community meeting at the Stoy post office to address customer concerns. *Id.* Thirteen customers attended. *Id.*

The Postal Service posted the proposal to close the Stoy post office with an invitation for comments at the Stoy, Oblong, and Robinson post offices for approximately 60 days, from April 8, 2011 through June 9, 2011. *Id.* The Final Determination was posted at the same three post offices for approximately 30 days, from July 8, 2011 through August 9, 2011. *Id.* at 1, 8.

Based on a review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

Effect on the community. Stoy, Illinois is an unincorporated community located in Crawford County, Illinois. Administrative Record, Item No. 16. The community is administered politically by the Stoy Village Board. *Id.* Police protection is provided by the Crawford County Sheriff. *Id.* Fire protection is provided by the Oblong Fire Protection District. *Id.* The community is comprised of farmers/retirees and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Stoy community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Stoy post office, customers raised concerns regarding the effect of the closure on

the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 6.

Petitioner raises the issue of the effect of the closing on the Stoy community. Petition at 2; Participant Statement at 1. The Postal Service contends that it considered this issue and explains that the community identity will be preserved by continuing the use of the Stoy name and ZIP Code. Postal Service Comments at 7.

The Commission finds that the Postal Service has taken the effect on the community into account.

Effect on employees. The Postal Service states that the Stoy postmaster was reassigned on October 29, 1993 and that an OIC has operated the Stoy post office since then. *Id.* at 9; Final Determination at 6-7. It asserts that after the Final Determination is implemented, the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.*

The Commission finds that the Postal Service considered the possible effects of the closing on the OIC when it stated that the OIC may be reassigned or separated. The Commission concludes that this satisfies the Postal Service's obligation to consider the effect of the closing on employees at the Stoy post office.

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Stoy customers. Postal Service Comments at 4-6. The Postal Service asserts that customers of the closed Stoy post office may obtain retail services at the Robinson post office located 6 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Robinson post office. *Id.* The 52 post office box customers may obtain Post Office Box service at the Robinson post office, which has 205 boxes available. *Id.*

For customers choosing not to travel to the Robinson post office, the Postal Service explains that retail services will be available from the carrier. *Id.* at 4. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioner argues that the rural delivery service will not provide the Stoy community with a maximum degree of effective and regular services. Petition at 2; Participant Statement at 1. In particular, she expresses concerns about potential theft from leaving money in a mailbox for the rural carrier when purchasing money orders. Petition at 1; Participant Statement at 1-2. The Postal Service responds that it considered Petitioner's concerns about mail security by stating that customers may place a lock on their mailboxes as a security measure. Postal Service Comments at 6. It also states that if additional mail security concerns arise, staff at the Robinson post office and the carrier will provide special assistance as needed. *Id.*

The Public Representative asserts that the Postal Service has arranged for customers of the Stoy post office to continue to have access to effective and regular postal services. PR Comments at 6. However, he contends that the Postal Service failed to address Petitioner's specific concern of potential theft from leaving money in a mailbox for transactions with a rural carrier. *Id.* at 7. Nonetheless, he concludes that no persuasive argument has been presented that would prevent the Commission from affirming the Final Determination. *Id.* at 8.

Based on a review of the record, the Commission concludes that the Postal Service has attempted to consider and respond to the issues raised by customers concerning effective and regular service.

Economic savings. The Postal Service estimates total annual savings of \$18,817. Final Determination at 7. It derives this figure by summing the following costs: postmaster salary and benefits (\$20,492) and annual lease costs (\$3,120) minus the cost of replacement service (\$4,795). *Id.*

Petitioner asserts that the estimated savings are inaccurate. Petition at 1; Participant Statement at 2. She notes that the amounts saved are based on the salary and benefits of a postmaster rather than the OIC, who receives a lower salary and no benefits. *Id.* The Postal Service responds that discontinuing the Stoy post office would eliminate a permanent career position, thereby allowing the Postal Service to avoid the cost of filling that position in the future. Postal Service Comments at 8.

The Public Representative concludes that the Postal Service considered economic savings from the closing. PR Comments at 6. However, he contends that the Postal Service will not realize the full amount of the estimated cost savings because the Stoy post office was managed by an OIC, presumably at a lower cost than a postmaster. *Id.*

The Commission has previously stated that the Postal Service should not compute savings based on compensation costs that are not eliminated by the discontinuance of a post office.⁸ The Stoy postmaster was reassigned in October 1993. Final Determination at 2. The office had since been run by an OIC who, upon discontinuance of the post office, may be separated from the Postal Service. *Id.* at 7. On paper, the postmaster position and the corresponding salary will be eliminated. However, even if the presumably lower salary of the OIC were substituted, it appears that closing would still provide a net, if lower, financial benefit to the Postal Service.

Upon review of the record, the Commission concludes that the Postal Service has adequately considered the economic impact of its decision.

VI. CONCLUSION

Based on the review of the record, the Commission concludes that the Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Stoy post office is affirmed.

⁸ See, e.g., Docket No. A2011-16, Order No. 843, Order Affirming Determination, September 8, 2011.

It is ordered:

The Postal Service's determination to close the Stoy, Illinois post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary